

CTTCinsights

NEWS FROM THE CALIFORNIA TRAVEL AND TOURISM COMMISSION

WINTER
SPRING
2005

GOVERNOR SELLS CALIFORNIA AT TRAVEL INDUSTRY SUMMIT



Sunne Wright McPeak, Secretary, California Business, Transportation & Housing Agency and CTTC Chair addresses the California Tourism Leadership Forum at The Americas Lodging Investment Summit (ALIS) in Los Angeles.

Governor Schwarzenegger was the keynote speaker at The Americas Lodging Investment Summit luncheon. "Buy stock in California. Invest here, build here and grow your business here. The sky is the limit because this is the land of opportunity," he told the nearly 2,000 attendees.

Left to right: Governor Schwarzenegger, Matt Hart, President & COO, Hilton Hotels; Doug Geoga, President, Hyatt; Tom Corcoran, President & CEO, FelCor Lodging Trust Inc. The California Tourism Leadership Forum, including 35 of California's top travel industry leaders, met with the Governor and discussed long-term funding and promotional solutions.

Everyone Wins at Taste of California Cook-off

By A.G. Kawamura, Secretary, California Department of Food and Agriculture

Everyone was declared a winner at the Iron Chefs' cook-off and competition at the Taste of California event during Governor Schwarzenegger's visit to Japan last November. After Governor Schwarzenegger revealed the secret ingredients, two of Japan's famous Iron Chefs faced off with two of California's premier restaurateurs using a symphony of California-grown agricultural products.

For those familiar with this Japanese-television hit and its American cousin — aired on the "Food Network" — this special event placed Governor Schwarzenegger as a guest judge in this culinary battle.

The Governor proclaimed all the dishes victorious, but the real winner was



continued on page 10



Inside

- 2** Tourism Initiatives
- 4** Co-op Corner
- 6** CTTC Update
- 8** International Update
- 16** California Lodging Outlook
- 18** Spring to Summer Travel Forecast

19 www.CaliforniaStore.com



Tourism Initiatives Make California A Leading Destination



By Caroline Beteta,
Executive Director,
California Travel and
Tourism Commission

The last few months have been some of the busiest for the California Travel and Tourism Commission (CTTC). From our successful Los Angeles Media Blitz and World Travel Market trade show in England to the much-publicized

Japan Trade Mission, California tourism initiatives are working to keep the Golden State one of the world's leading destinations.

As you read through *Insights*, you'll notice a change — more photos! Teaming up with industry partners is an integral part of our strategy. We thank you for your continued

support and hope you enjoy perusing the images of our well-attended events.

In this issue, you'll learn about our successful four-day trade and tourism mission to Japan held in partnership with Governor Schwarzenegger, and attended by more than 20 delegates representing California's top travel destinations, accommodations, attractions and convention and visitor bureaus.

The "Arnold Invites You to Visit California" campaign attracted thousands of Japanese to a variety of California-hosted events. It is an important step in leveraging the Japanese government's directive to double the number of Japanese traveling to outbound destinations by the year 2020. Like many international visitors, the Japanese stay longer and spend more money than their domestic counterparts.

The CTTC teamed up with the Governor again in January to host a California Tourism Leadership Forum, in conjunction with The America Lodging Investment Summit (ALIS). The Governor's keynote luncheon address attracted nearly 2,000 hotel owners and investors. The California Tourism Leadership Forum included the Governor and 35 of California's top travel industry leaders, was also significant in that long-term promotional and funding solutions were discussed to keep California top-of-mind with visitors (see photos on front page).

Heading into the second half of our fiscal year, it's important to reflect on what has been accomplished as an industry. Imagine the possibilities as we continue to move forward, partnering to effectively market California, which will keep California competitive among other destinations.

In 2003, California welcomed 590,000 visitors from Japan and generated a total of \$668 million in travel-related expenditures, making Japan California's second largest overseas market.



CTTC and Governor Schwarzenegger Promote California Trade and Tourism in Japan

The California Travel and Tourism Commission (CTTC) teamed up with Governor Schwarzenegger last November in Japan to promote California trade and tourism. More than 20 delegates representing California's top travel destinations, accommodations and attractions, as well as convention and visitor bureaus took part.

"Tourism is big business for California generating \$78.2 billion in direct travel spending and producing \$5 billion in direct state and local revenues," CTTC Executive Director Caroline Beteta said. "In 2003, California welcomed 590,000 visitors from Japan and generated a total of \$668 million in travel-related expenditures, making Japan California's second largest overseas market."

Japan is an important market to California because it serves as the gateway for Asian travelers and is the first point of entry into the United States. According to Beteta, California needs to increase its level of marketing to remain competitive because destinations such as Las Vegas have been aggressive with this market. California is now experiencing air flyover, where the point of entry is other than California.

More than 400 Japanese tour operators, agriculture executives, tourism officials and media attended the Taste of California reception at the Grand Hyatt Roppongi Hills Ballroom in Tokyo, which featured a cooking performance hosted by the Governor that simulated the popular Iron Chef competition.

The California Commission for Jobs and Economic Growth, the CTTC and the California Grown campaign sponsored the California Rally attended by 2,000 spectators at the Roppongi Hills Arena. A three-story billboard of the Governor superimposed in front of the Golden Gate Bridge welcomed people to the event.

"He's a phenomenon like none of us has ever seen before," said Mike Gallagher, president of CityPass, Inc. and part of the California delegation. "We couldn't buy this kind of publicity."

Total tourism media exposure of the trade mission including print, television, radio and electronic coverage generated more than \$3.3 million.



The billboard promoting visitation to California was displayed at the highly visible Roppongi Hills Arena.



Governor Schwarzenegger; Executive Director Caroline Beteta, California Travel and Tourism Commission; and Secretary A.G. Kawamura, California Department of Food and Agriculture award a California vacation to a lucky consumer at the California Rally at Roppongi Hills Arena.



Attending the Taste of California reception in Tokyo are Tom Kiely, Universal Studios Hollywood; Mark Liberman, LA INC. The Convention and Visitors Bureau; Reint Reinders, San Diego Convention & Visitors Bureau; and Patti MacJennett, LA INC. The Convention and Visitors Bureau.



Surf Conditions

Following an extremely lively spring travel season on the CTTC Web site, activity on www.visitcalifornia.com continued at a remarkable pace through the summer and end of 2004 and into the beginning of 2005. The average monthly hits for July 2004 to January 2005 was 6,460,471, an increase of nearly 2 million hits¹ from the same period in 2003–2004. In addition, the average visit length on the Web site from July through January was 9 minutes 37 seconds. During the same seven-month period in 2003–2004, the average visit length was 8 minutes 19 seconds.

Following are highlights for the period of July through January 2005:

- **Mambo Italiano:** For the month of September, Italy was the most active foreign country on the CTTC's Web site with 2,016 visits, beating out Canada, the United Kingdom and Japan. During the four-month period, Italy's visitors² to the site totaled approximately 9,500.
- **Longitude:** The average visit length on www.visitcalifornia.com during the month of October was 11 minutes and 21 seconds. This is the longest average visit length ever, surpassing the previous longest month of June 2003 by 1 minute and 23 seconds.
- **Do You Google?:** Of all the search engines, Google is the most popular one used by visitors to the CTTC's Web site. Google was used more than 50 percent of the time by surfers trying to find www.visitcalifornia.com.

¹ When a Web page is visited, a **hit** represents the number of individual requests a server receives to render the page viewable. Each image on a page counts as one request, and each page may contain numerous images. A visit to a Web page with three images will count as four hits — one for the download of the page file and three hits for the images.

² A **visitor session** is the number of distinct people who visit the site. This is estimated by grouping together all hits from one Internet provider address, with no more than 30 minutes between each hit, into one user session.

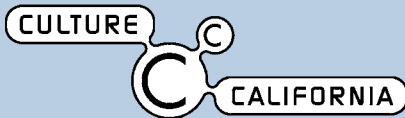


Co-op Corner

The Best of California Drives 2005

Building on the previous success of *The Best Of California (TBOC) Drives 2004*, *Sunset* and the CTTC have collaborated again to produce *The Best of California Drives 2005*. Further enhancing the surge in drive-market travel, the detachable insert will begin distribution in May for *Sunset's* June 2005 edition. This guidebook-size publication is filled with great drives around the Golden State as well as detailed, four-color maps. With a print run of 1,000,000 copies, it will be distributed at California State Parks, California Tourism fulfillment, California Welcome Centers and various convention and visitor bureaus and chambers of commerce.

The publication targets the *Sunset* reader who is an active traveler, takes five-plus trips per year and has an average annual household income of \$102,000. Because of its timeliness, the insert will reach travelers who are making summer driving plans and will help inspire them to add new destinations and activities. The success of last year's insert proves that this publication will once again be in high demand by California travelers. Advertising opportunities are now available for *The Best of California Drives 2005*. Contact Jon. A. Trumbull, California Travel and Tourism Publications, at trumbullj@sunset.com or 714-424-1989 immediately for advertising rates as the publication is in its final stage as of press time.



California Cultural and Heritage Tourism Council Formed

A Memorandum of Understanding between several state, federal, tribal, local, non-profit, corporate and private agencies has established the California Cultural and Heritage Tourism Council, which is designed to cooperatively expand opportunities for cultural and heritage tourism in California.

A year-long study by a working group of leading public and private agencies found that California's vast size, population, structure and multiple jurisdictions and agencies complicates and limits the state's ability to benefit from grant opportunities and attract historic and cultural travelers.

"Studies by the Travel Industry of America and *Smithsonian* report that historic/cultural travelers spend 38 percent more and stay 38 percent longer than other tourists," said Executive Director Caroline Beteta of the California Travel and Tourism Commission. "Often, their spending occurs in small towns and historic communities that have been struggling to sustain their economies. Considering that 81 percent of U.S. adults who traveled last year consider themselves a historic/cultural traveler, that's significant."

Where possible, the Council will facilitate cooperative promotional projects and events, attract public and private contributions and promote a greater understanding of the economic and social benefits associated with the arts, culture and heritage.

The Council will meet twice annually. Membership is open to organizations with an interest in statewide heritage and cultural tourism development. Interested parties may contact the Council's Co-Chair Susan Wilcox, CTTC Chief Deputy Director, at 916-444-0430 or swilcox@cttc1.com.

There's also a California Cultural and Heritage Tourism Symposium scheduled for May 13 in Riverside, see page 12 for details.



California is the Spot for Fun

California Fun Spots, a co-op of six of California's attractions, continues to promote theme park fun in California. The Web site at www.cafunspots.com provides information for parents and fun for kids with downloadable coupons, events, insider tips, live cameras from the parks, games, activities and direct links to each of the member parks. The site is updated quarterly to provide the most accurate information. California Fun Spots is also featured in *The Best of California Drives* with a tear-out card, with park discount to all six attractions. Participants include LEGOLAND California, Monterey Bay Aquarium, San Diego Zoo, San Diego Zoo's Wild Animal Park, SeaWorld Adventure Park and Universal Studios Hollywood. For more information, contact Tiffany McKenzie, CTTC Cooperative Marketing Coordinator, at 916-319-5419 or tmckenzie@cttc1.com.

Shop California



Shop California has launched a partnership with Shop America and has become a

sustaining member of the organization. This will increase exposure for all Shop California members, making them eligible for individual memberships with Shop America at substantial discounts. As part of Shop California's partnership with Shop America, the Shop America Tours Packages for Centers in California will be promoted and sold on the ShopCalifornia.org Web site. Consumers can choose to purchase a variety of packages including Shop & Play, Shop & Dine, Shop & Beauty and Man of Style. Packages are currently being offered by Beverly Center and Westfield Shoppingtown MainPlace.

The www.shopcalifornia.org Web site provides a guide to help navigate through California's varied shopping destinations, including world-class shopping centers, name-brand boutiques, outlet malls, outdoor marketplaces, specialty shops and more. A value-added offer includes a downloadable voucher from the Web site to receive savings and incentives at participating locations. Retailers are invited to take advantage of these opportunities by joining Shop California or by obtaining a free listing at www.shopcalifornia.org. For more information, contact Tiffany McKenzie, CTTC cooperative marketing coordinator, at 916-319-5419 or tmckenzie@cttc1.com.

Golf

The "California Golf" TV series continues to find new outlets for public viewing with United Airlines' recent announcement that January 3 it began showing the series on its flights to and from the United States to Heathrow Airport in London. There are 11 daily flights each way and the projected passenger views are approximately 900,000 over the next 12 months and a purchase value of nearly \$300,000.

New for 2005 is a distribution component for the annual *California Official State Golf Guide* through a new partnership with *Smart Meetings*. The *Golf Guide 2005*, scheduled for an April release, will be distributed by *Smart Meetings* to 32,000 meeting planners on the West Coast, further strengthening advertiser support.

California Golf attended the International Golf Travel Market in Portugal, December 9–11, 2004 for the second consecutive year and plans are in place to exhibit at a range of consumer golf shows in Portland, Long Beach, San Mateo and Denver. For more information, contact Shaw Kobre of InTheLoopGolf and the CTTC's golf marketing contractor, at 707-569-8481 or shaw@intheloopgolf.com.

CaliforniaGolf.com is the official sister site to the *Golf Guide*, and received an average of 5,000 unique users per month for 2004.



SINCE THE LAST
ISSUE

CTTC Update

California—World Travel Market Recap

- California Tourism and travel industry partners were spreading the California message in London in early November at World Travel Market.

At the event's annual VIP luncheon and film premier, approximately 100 UK and European tour operators and media were treated to an afternoon of culinary delights and entertainment at The Vue Cinemas in Leicester Square. The CTTC premiered the award-winning film "Sideways," which was filmed entirely in California, showcasing the spectacular scenery of Santa Barbara's wine region. The film has received rave reviews from film critics and did well with both the guests and sponsors of the film event. In fact, due to the appeal of the film and the development of an itinerary based on the film's shot locations, at least two promotional opportunities have since developed. A major wine retail chain and tour operator are funding a campaign to promote the itinerary and a premier newspaper and airline are developing a California wine guide.

The event also featured a variety of California-related products including the

state's only vodka maker, Charbay Spirits in Napa Valley; Beringer Vineyards; Jelly Belly Candy Company's new Big Bean product and See's Candy which provided truffle gift boxes.

At the ExCeL Centre, the California stand featured spectacular California images and bright colors, encouraging clients to "Find Yourself Here." California delegates met with tour operators, incentive operators, travel agents and the media during the four days of the exhibition.

Marketing Committee/Commission Meetings and Assessed Business Receptions

- The Marketing Committee met at the Hyatt Regency in Irvine October 20, 2004 for a full-day meeting. An assessed business overview and reception took place afterwards. On October 21, 2004, the CTTC Executive Committee met followed by the Commission meeting.
- The CTTC, Executive Committee, and the Marketing Advisory Committee all gathered for a full day of meetings February 2 in Sacramento. An open house at CTTC headquarters took place following the meetings.

CTTC Strategic Planning Committee and Process

- At the December Strategic Planning meeting the committee came to consensus on the recommendations for increasing revenue. The committee's recommendations include maintaining the assessment rate at \$450 per \$1 million of tourism revenue; lowering the minimum revenue and percentage of tourism threshold levels to be assessed; setting a minimum assessment amount; adding segments; adopting enforcement regulations which include a simplified form and identifying "tourism zones"; and

establishing a three-tier category system for restaurant and retail segments.

The recommendations of the Strategic Planning Committee were presented at the February 2 meeting in Sacramento.

Advertising Update

- The 2005 CTTC advertising and cooperative plan is designed to efficiently utilize the limited funds and capitalize on the CTTC's past momentum and success. The CTTC will continue to use the "Welcome to California" television spot, which has twice the recall of California's key competitors according to Strategic Marketing & Research Inc. Governor Schwarzenegger's presence in the new version will also enhance recall and impact.

Focusing on affluent travelers will be a key program strategy. This group represents 50 percent of California's visitors and 63 percent of the nation's wealth, and takes frequent trips, flies often, stays longer and spends more.

Another strategy is to expand California Tourism's reach beyond the West by utilizing a highly targeted cable buy in ten out-of-state markets, which will allow the CTTC to reach more people than ever before.

The CTTC has partnered with Southwest Airlines in 2005 with a fare promotion tagged onto the current "Welcome to California" television spot. Print co-op opportunities for industry participation include *Sunset's The Best of California Drives 2005*, which publishes in the June issue as well as an insert program tentatively scheduled for November/December 2005. If you are interested in participating, contact Susan Wilcox, CTTC Chief Deputy Director, at 916-444-0430 or swilcox@cttc1.com.



More than 20 destinations, attractions, hotels and receptive operators participated with the CTTC in supporting the "Sideways" film event and exhibiting at the California stand.

News Briefs



CTTC Staff Attends National Tour Association Convention

It's no longer called the National Tour Association (NTA). Last November, NTA announced it was changing the association's name to CrossSphere as part of an ongoing branding initiative designed to more accurately reflect the association's growth and diversification. The association had determined that they needed to be more progressive and embrace the increasingly global and specialized packaged travel possibilities.

CTTC staff Barbara Steinberg and Andrew Meditz fielded more than 80 appointments and requests from

operators and distributed *California Visitor's Guides*, *California Snow*, *Driving Tours Guides*, *California Golf* and *California Resource Guides* during the convention. They also distributed 75 copies of show leads to other California businesses and an additional 50 copies have been sent electronically.



Los Angeles Media Reception and Marketplace

The Walt Disney Concert Hall's exclusive Founder's Room was the festive setting for the California Travel and Tourism Commission's first ever in-state media reception and marketplace.

A contingency of more than 60 top Southern California-based media and 55 California delegates, representing 40 businesses throughout the state, made their way to Los Angeles December 1 to mix and mingle with travel writers, editors and freelance writers.

Delegates creatively displayed their tabletops with themes depicting their specific destination and pitched story ideas to key travel writers. LEGOLAND California won the competition for best tabletop display. All attendees received a complimentary half bottle of Kendall-Jackson wine, two painted California highball glasses courtesy of Catstudio along with a region-themed cocktail recipe booklet.



Julie Armstrong, of the Monterey County Convention and Visitors Bureau, talks with a member of the press.



LEGOLAND California won best table top display.



Leann Lampe, and Theresa Santoro, of the Pasadena Convention & Visitors Bureau, share story ideas with attending media.



Los Angeles Media Reception and Marketplace Delegates

International Update

Australia

Representatives Leeanne Dyer and Fred Sparksman of Integra Tourism Marketing reported that the Australian economy is currently stable. The federal election was held in October with Prime Minister John Howard succeeding for the fourth consecutive term. The unemployment rate has hit a 30-year low of five percent and the Australian dollar continued to firm up against the U.S. dollar with the exchange rate now settling around \$.078. Latest stats show that arrivals from Australia in to the United States are up 31 percent to the 10 months to October 2004.

Qantas Holidays, the largest tour operator in the market, has announced a pre-tax profit of \$67.3 million for the 2004 fiscal year with an annual turnover of just under \$1 billion. General Manager of Qantas Holidays, Simon Bernardi, has attributed the positive result to pent-up demand for international travel.

Major projects undertaken by Integra Tourism Marketing on behalf of the CTTC include the California Sales Mission to Sydney, Melbourne and Auckland; media familiarization tour to Anaheim/Orange County, Big Bear Lake and Death Valley; organization of 90 travel agents to Anaheim's TAG Days, which represented nearly one-third of all international agents in attendance.

California Tourism has also been active in the market for the first part of 2005 with attendance at Visit USA New Zealand and Visit USA Australia Show reaching approximately 1,200 travel agents with the 2005 State Vacation Planner. We have supported the 50th Celebrations of Disneyland by taking a booth at the Sydney and Melbourne shows which was attended by approximately 600 travel agents, while 40 media were also provided with the new State Vacation planner at the Visit USA Media lunch in Sydney.

Germany

Representative Martin Walter, of Marketing Services International (MSI), reported that the positive trend in the German-speaking marketplace for bookings to California has continued over the winter months and into this year. Most of the key tour operators report double digit increases in bookings to California and this trend continues into spring and summer for this year.

The German holiday market has clearly recovered, according to the country's travel agents and tour operators association (DRV). After two difficult years, German agents and operators had managed to increase sales for the year 2004, a rise of up to 6 percent. Package holiday sales had grown by about EUR 1.2 billion to a total value of about EUR 19 billion.

According to study of Dresdner Bank, Germans are ranked top when it comes to traveling. In 2004 they spent 76 billion USD on traveling reaching again the top score from 2001. For 2005 another increase of 2 percent is forecasted.

The euro has remained strong in value against the U.S. dollar and was traded at \$1.32 for 1 euro.

A highlight of Germany's winter marketing efforts on behalf of the CTTC include a major consumer campaign along the start of the movie "Sideways." We realized online promotions with a magazine and a book retailer as well as a major mailing campaign to 1,600 travel agencies distributing 32,000 flyers on the movie and the State of California.

Public relations representative Silvia Braun reported that MSI's efforts resulted in media coverage with a total value of \$1,340,819 during November 2004 through January 2005. The German public relations office responded to 123 media inquiries on behalf of CTTC during the same period.

Major coverage was generated for the Californian ski areas in the main national newspapers with full-page articles in *Frankfurter Allgemeine Zeitung* and *Die Zeit*. Coverage had been an outcome of an organized media group visit in December. In addition to the print coverage, HR radio station broadcasted a 30-minute travel feature about North-California, Shasta Cascade and Redwood Coast. The food promotion, which was organized by MSI and Hilton Frankfurt, generated coverage with regional newspapers, TV and radio stations. MSI is currently working on a group press trip in cooperation with the Wine Institute of California. MSI will represent California at the ITB trade show and conduct interviews.

Japan

The provisional number of Japanese traveling abroad in 2004 was the second highest ever at

16,830,618, up 27 percent from 2003. The number of Japanese visitors to California increased year-on-year by 16 percent to 560,804 from January to November 2004, rebounding from the impact of Bird Flu and SARS in 2003. Based on discussions with key airlines and agents in Japan, the total number of Japanese visitors to California is expected to exceed 600,000 in 2004 once final visitor numbers are in, breaking the record of 590,000 Japanese visitors in 2003.

Most forecasts for 2005 project that outbound travel from Japan will continue to rise in 2005 to 17.6 million, 6 percent up from the 16.8 million travelers venturing overseas in 2004. According to the latest reservations survey conducted in January, forward booking levels to California at major Japanese wholesalers between January and March 2005 appear strong. Major wholesalers such as JTB, KNT, Japac and ANA Hallo stated that their tours to the United States and California are picking up, with most projecting optimistic 10–15 percent increases in 2005 over 2004.

The Japanese outbound travel scene in 2005 has been affected by the Tsunami that hit South Asia December 26, affecting many destinations favored by Japanese travelers, reducing the number of Japanese heading to the region and favoring competing destinations such as Hawaii and California. A second important factor affecting outbound travel from Japan in early 2005 has been the opening of the new Chubu International Airport in Nagoya (Centrair Airport) February 17 which is expected to fuel significant increases in international travel from the Nagoya/Kinki region, starting with the launch of inaugural Nagoya-San Francisco service by United March 28.

Load factors between Narita and California, and between Kansai and California have continued to be very high, averaging between 92–95 percent from January to March 2005, according to our informal airline survey. In addition to the launch by United Airlines of a new non-stop flight to San Francisco from Nagoya, United is also planning to increase its Narita-Los Angeles frequency to double daily service starting June 7 using Boeing 777s.

As an outcome of Governor Arnold Schwarzenegger's first official overseas trade mission to Japan in November 2004, which



Tourism by the Numbers

included more than 20 delegates representing California's top travel destinations, hotel groups and attractions, the program's initial effort was successful in generating in excess of US\$1.5 million in media publicity in Japan. Efforts are underway to put in place major additional travel trade program components in Japan to maximize the impact of the Governor's visit.

Finally, new California tours, which are seeing good exposure in the Japan market, include tours by Ark World Inc., as part of UA's "United Vacations" brand, to celebrate inaugural UA service from Nagoya-San Francisco. These skeleton-type tours include air and accommodation only and include stays in San Francisco and Los Angeles. Ark World is attracting travelers to California not only from the Nagoya regional market, but also consumers from throughout Japan, using domestic flights on All Nippon Airways (NH) to take advantage of convenient connections between domestic and international flights at the new Centrair Airport.

United Kingdom

Representative Caroline Mastoras, of McCluskey International, reported a busy period for the UK team. Highlights included the first-ever California Games, a retail travel agent training event, which resulted in 400 agents learning about California in a fun-packed, game-themed environment. United Airlines and BMI have sponsored three fam trips, which will take place between May and September and will have 30 winning agents visiting the state in conjunction with the 10 California partners who generously sponsored the California Games.

The traditional World Travel Market film event showed the hugely successful "Sideways" with 150 of the UK's key decision makers participating. The film launched in the UK in late January and the office was involved in a number of key consumer promotions linked to the film.

It was show time in January and February as the California team participated in consumer shows in Manchester, Glasgow, Dublin and Cardiff, which between them hosted more than 180,000 consumers. More than 4,000 California guides were distributed along with much-needed itinerary advice and ideas. The shows are ideal events to promote the diversity of the state and increase the average length of stay in California.

Summer and fall were busy seasons at all 11 California Welcome Centers. Walk-in numbers were up for the time period of July 2004 through January, 2005 as compared to the previous time period. International contact numbers were also up due to the release period for wholesale tour packages for 2005. Numbers below highlight program activities from July 2004 through January 2005.

Calls to toll-free telephone number	18,229
Packets ordered on Web site	49,811
Packets sent from fulfillment house:	69,982
Domestic	54,259
Canadian	3,881
International	6,560
Trade	2,392
Student	2,890
Packets sent from California Tourism	229
Informational calls to California Tourism	4,313
E-mails to California Tourism	3,548
Assessment calls	692

International contacts¹

Australia (Consumer & Trade)	1,394
Germany (Consumer & Trade)	2,354
Japan (Consumer & Trade)	1,980
UK (Consumer & Trade)	2,464
Division of Tourism (Trade)	4,402

Research

Contacts	134
CA Tourism Research Bulletin — subscribers ²	67
Visits to Research site — thru January 2005 — visitor sessions ³	6,118

Media Relations inquiries

CTTC office	599
All overseas offices	3,913
Press room of Web site — visitor sessions	75,967

California Welcome Centers (contacts)⁴

CWC, Anderson	16,929	CWC, Oceanside	59,396
CWC, Arcata	8,652	CWC, San Francisco	320,851
CWC, Auburn	24,280	CWC, Santa Ana	37,679
CWC, Barstow	182,042	CWC, Santa Rosa	27,717
CWC, Los Angeles*	13,225	CWC, Yucca Valley	11,245
CWC, Merced	29,321		

* CWC, Los Angeles closed December 31, 2004

¹ International numbers do not reflect contacts made during trade show attendance or familiarization tours.

² California Tourism's Research Bulletin is the new monthly bulletin that was launched in June 2004.

³ A visitor session is the number of distinct people who visit the site. This is estimated by grouping together all hits from one Internet provider address, with no more than 30 minutes between each hit into one user session.

⁴ These numbers reflect only walk-in visitors; they don't include information relayed through telephone, e-mail, mail and fax.



Everyone Wins at Taste of California Cook-Off... continued from page 1

California. Attendees who represented Japanese tour operators and media were wined and dined as they sampled the delicious cuisine prepared with California-grown oranges, lemons, figs, walnuts, almonds, tomatoes, raisins, grapes and rice.

This event was part of the Governor's marketing campaign to attract Japanese visitors, investors and consumers to California-grown agricultural products. Agriculture was one of the centerpieces of this historic mission. The reason is simple, food and kindred products are among California's top five exports to Japan, and Japan is our third largest agricultural export market. With its recovering economy, it is in a position to become an even more friendly market.

As the nation's largest agricultural producer for the last 50 years, California's vast agricultural community produces 350 different crops and livestock commodities. California also leads the nation in agricultural exports, annually sending more than \$6.4 billion in products to eager people around the globe. It is not merely this bounty but also the unparalleled quality and unmatched flavor that the world appreciates.

Japanese consumers appreciate great quality and the Governor was in Japan to remind everyone that California produces the finest products in the world. When it comes to food products, the essence of good taste starts with being particular about each ingredient — each nut, each fig and each raisin.



- A) Caroline Beteta, Executive Director, CTTC, and A.G. Kawamura, Secretary, California Department of Food and Agriculture, enjoy a glass of California wine before the Taste of California reception begins.
- B) Governor Schwarzenegger watches the Japanese prepare a wonderful dish using California Grown products at the Taste of California Reception.
- C) Charles Ahlers, President, Anaheim/Orange County Visitor & Convention Bureau, and Terry MacRae, Chairman, Hornblower Cruises & Events, enjoy the well-attended event.
- D) Sunne Wright McPeak, Secretary, California Business, Transportation and Housing and CTTC Chair meets with Japanese officials, and Governor Schwarzenegger is to her right.

As the Governor has declared, California "is the easiest sell I've ever had."

Agritourism is seen as a growing segment of the tourism sector in California. As people are more and more concerned with healthy diets and healthy living, they yearn for that rural experience, supplemented with fine gourmet dining. Whether they enjoy Napa and Sonoma wine tours, Gold Country apple and mandarin festivals or the scenic Central Coast hamlets where the world's great supply of salad fixings are grown,

people from all over the world are experiencing the taste of California.

The California Department of Food and Agriculture looks forward to working with our tourism partners as we invite the world to share in the bounty.

Governor Arnold Schwarzenegger appointed A.G. Kawamura Secretary of the California Department of Food and Agriculture in November 2003.

NEW VISITOR GUIDE MAKES IT EASY TO BOOK CALIFORNIA

Visiting California has never been easier with the help of the California Travel and Tourism Commission's new *2005 Official State Visitor's Guide and Travel Planner*. With its regional maps, fresh editorial format, photography, list of attractions and places to stay, visitors have all the information they need at their fingertips to book California arrangements. Guides are free and available by calling 800-GO-CALIF or clicking to www.visitcalifornia.com.

This year's cover commemorates the 50th Anniversary of The Disneyland Resort in Anaheim. Inside the guide visitors will find a special sweepstakes, two-page spread of selected California events and a

sunshine index that includes average days of sunshine and temperatures in each of California's 12 regions. Regional driving tours, popular activities to take part in and the location of California Welcome Centers are also included.

The guide is now available digitally via www.visitcalifornia.com. The technology, provided by Nxtbook, allows users to browse, search, make notes, as well as click through to advertisers' Web sites, bringing the readability and familiar feel of the *Visitor Guide* to the computer screen. Plus, there's no special software to download because everything is viewed through a standard browser.



The 2005 California Visitors Guide commemorates the 50th Anniversary of The Disneyland Resort in Anaheim.

The California Travel and Tourism Commission (CTTC) would like to acknowledge Lisa Kruttschnitt, former Director of Public Affairs, who left the Commission last December after more than ten years with California Tourism. Lisa's hard work, creative presentations and great attention to detail were much appreciated. We recognize Lisa's dedication and wish her the best!



California Welcome Centers to Provide Advertising on Plasma Screens

California Welcome Centers assist more than one million visitors annually. Now destinations and businesses can reach these travelers by advertising on state-of-the-art, 42-inch plasma screens located in select Welcome Centers throughout the state. Space is limited. For more information, contact Janice Simoni, California Welcome Center Manager, at 916-445-1094 or jsimoni@tourism.ca.gov.

The plasma screens allow a limited number of advertisers to place still images or full-motion video that can be updated or changed in real time.



New York Media Reception and Marketplace Was a

More than 100 of New York's key media, including travel editors, freelancers and reporters, attended the California Media Reception and Marketplace last February in New York. The event, held at the swanky Essex House on Central Park South, drew top-tier journalists from the *New York Daily News*, *Travel and Leisure*, *Wine and Spirits*, *For the Bride*, *Conde Nast Traveler*, *Travel Savvy*, *CEO Traveler*, *Town and Country*, *Budget Traveler*, *National Geographic Adventure*, *Business Traveler*, *Wine Spectator* and more.

A contingency of 44 delegates representing 35 California destinations,

accommodations, attractions and businesses attended including the Anaheim/Orange County Visitor & Convention Bureau, Barona Valley Ranch Resort & Casino, Berkeley Convention & Visitors Bureau, Beverly Hills Conference & Visitors Bureau, Big Bear Lake Resort Association, Calaveras Visitors Bureau, CTTC, CTTC Cooperative Marketing Programs, Carmel-by-the-Sea, Catstudio, CityPass, Inc., Costa Mesa Conference and Visitor Bureau, Gilroy Visitors Bureau, Huntington Beach Conference & Visitors Bureau, KOLI Communications, LA INC. The Convention & Visitors Bureau,

LEGOLAND California, Long Beach Area Convention & Visitors Bureau, Mammoth Mountain Ski Area, Newport Beach Convention & Visitors Bureau, Novom Marketing, Inc., Paso Robles Visitors & Conference Bureau, PIER 39, Poiriroo + Partners, Port of San Diego, Sacramento Convention & Visitors Bureau, San Francisco Convention & Visitors Bureau, San Luis Obispo Chamber of Commerce, Santa Cruz County Conference & Visitors Council, Santa Monica Convention & Visitors Bureau, SeaWorld San Diego, Ski Lake Tahoe, The Disneyland Resort,



CALIFORNIA CULTURAL AND HERITAGE TOURISM SYMPOSIUM SET FOR MAY 13

California's first-ever Cultural and Heritage Tourism Symposium is scheduled for Friday, May 13 from noon to 5:30 p.m. in Riverside at the Riverside Art Museum. Registration fee is \$50 and includes all sessions and sandwich buffet lunch.

The symposium is presented by the California Cultural and Heritage Tourism Council with sponsorship from the California Roundtable on Recreation, Parks and Tourism. It is being held concurrent with meetings of the California Preservation Foundation and California Assembly of Local Arts Agencies.

According to a study of the Travel Industry Association of America and *Smithsonian*, historic/cultural travelers spend 38 percent more and stay 38 percent longer than other tourists. Often, their spending occurs in small towns and historic communities.

The goal of the symposium is to bring together arts, heritage and tourism leaders to learn how to more successfully win federal, state and private grants and how best to conduct effective and profitable cultural and heritage tourism programs.

The schedule of events is as follows:

11:30 a.m. to 1:30 p.m.

Rooftop working lunch and opening addresses including a special presentation about cultural and heritage tourism by John Nau, appointed by the President of the United States as Chairman of the Federal Advisory Council on Historic Preservation

1:30 to 2:30 p.m.

Hear Washington, DC-based representatives describe their cultural, heritage and tourism grants programs, as well as provide an outlook for 2005. Anticipated participants are ACHP, Preserve America, EDA and NEA/CALAA

Great Success

Universal Studios Hollywood, Vallejo Convention & Visitors Bureau and Villagio Inn & Spa.

Delegates creatively displayed their tabletops with themes depicting their organization or business and pitched story ideas to attending travel writers. Newport Beach Convention and Visitors Bureau won the competition for the best tabletop display. All attendees received a complimentary half bottle of Kendall-Jackson wine, which was also served at the event, and two painted California highball glasses courtesy of Catstudio.

Delegates and attending media also enjoyed blood orange vodka martinis, provided by Charbay Vodka. There's was a specially designed chocolate fountain for dipping fruit and sweets too. Courtesy of The Chocolate Guy

Many of the California delegates donated media raffle prizes including accommodations, attractions passes, restaurant certificates and more.

California Tourism Participates At ITB

The California Travel and Tourism Commission again participated in the International Tourism Boerse (ITB) held in March in Berlin, Germany. ITB, considered the world's largest travel and tourism event, was also well attended by a California delegation of 13 exhibitors representing many of the state's top destinations and businesses, including Adventure Travel West, AmericaBound Tours Inc., California Gold Country Visitors Association, LA Inc. The Convention and Visitors Bureau, California High Sierra Visitors Council, Rancho Valencia San Diego, Renoir Hotel San Francisco, Suntrek Tours and Yosemite Management Group.

The event was timely as the United States is currently a travel bargain for Europeans given the euro's strong performance against the dollar (1 Euro = \$1.33 USD). According to Forsa Survey, in September Germans chose the United States as the most popular long-haul destination, 61 percent of those surveyed were planning a vacation trip (up three percent from 2003) and 35 percent were planning a family vacation (up three percent from 2003).

ITB primarily targets the German trade and consumer, however, buyers and travelers from throughout the rest of Europe, the Middle East, Africa and Asia are also in attendance. In 2004 ITB attracted 65,000 trade visitors, 6,000 media and 60,000 consumers. The 2005-attendee figures will be released soon. Each year, ITB provides an ideal opportunity for exhibitors to get their messages out to all key tourism groups.

This year, the exhibition consisted of more than two-dozen pavilions housing various regions of the world, one of which housed the Visit USA Pavilion. Although ITB is not an appointment-based exhibition, California Tourism's Germany office again was successful in alerting the German trade and media as to the attendance of the California exhibitors, and encouraged many of them to make appointments with delegates. Over the past year, several German tour operators have reported double-digit increases in sales to California, some even reporting upwards of 100 percent or more due, in part, to the success of ITB.

2:30 to 3:30 p.m.

State agency representatives will describe cultural and heritage programs, what they're looking for when deciding on grants and how grants are managed. Anticipated participants are CCHE, FHWA/Caltrans and CDFA

3:30 to 4:30 p.m.

Case studies — see what the National Trust for Historic Preservation is doing with the National Park Service to identify cultural/heritage sites, what Redding and the Shasta Cascade did to become a federal grant winner and how Monterey became California's newest Preserve America community

4:30 to 5:30 p.m.

Foundation presentations — learn from executives of some of the most respected and best-known foundations in California on what it takes to win their grants, what they look for and how working together benefits cultural, heritage and tourism entities. Anticipated participants are Irvine Foundation, Packard Foundation, Getty Foundation, and the Hewlett Foundation

The California Cultural and Heritage Tourism Council was formed in 2004 through a Memorandum of Understanding, bringing together federal, state, tribal, local, non-profit, corporate and private arts, heritage and tourism

organizations to promote and enhance the joint benefits of cultural and heritage resource preservation and tourism promotion.

To register or for more details, E-mail Susan Wilcox, Co-Chair of the California Cultural and Heritage Tourism Council, at swilcox@cttc1.com. Registration and payment deadline is April 29.



Tourism Continues To Boost California Economy In 2004

Newly Released California Travel Statistics

The California travel industry continues to reap the benefits of a rebounding economy as initial figures reflect continued increases in direct travel spending throughout the state. Total spending in California from visitors was \$82.4 billion in 2004, an increase of 7.4 percent from 2003 and the largest upsurge since 2000.

“California is one of the world’s premier destinations,” California Travel and Tourism Commission Executive Director Caroline Beteta said. “These numbers attest to the success of the travel industry and its significant impacts on California.”

The report, compiled by Dean Runyan and Associates, illustrates the economic impact of travel to and through California.

Increased air travel played a pivotal role in the increase. There were 31.6 million domestic air passenger visitor arrivals to California last year, up 17 percent from 2003. Spending by international visitors comprised more than 15 percent of all travel spending.

On the work front, travel spending directly supported 892,100 jobs (up 2.5 percent from 2003), earning businesses and employees \$26.5 billion. The majority of jobs positively affected by travel are in the food service (261,100 jobs), arts, entertainment and recreation (220,400 jobs) and accommodations (192,200 jobs). It is also estimated that a travel-related job was generated for every \$92,400 in direct travel spending. Nearly \$13 billion was spent on accommodations, comprising

17 percent of all destination spending by visitors throughout the state.

Local governments generated \$1.9 billion in taxes from travel spending while the state saw \$3.3 billion in revenues. For every \$100 of travel spending in 2004, \$32.13 was generated in earnings, \$2.33 in local taxes and \$3.97 in state taxes.

The California Travel and Tourism Commission is a non-profit organization with a mission to develop and maintain marketing programs — in partnership with the state’s travel industry — that keep California top-of-mind as a premier travel destination. For more information about the CTTC and for a free California vacation packet, go to www.visitcalifornia.com or call 800-862-2543.

International Update...

continued from page 14

The exchange rate for the U.S. dollar continues to drive business to California. All operators are reporting terrific levels of business with 35 percent increases not being unusual. Levels are reported to be back at pre-9/11. The demand for niche products continues to rise, to the extent that Virgin Holidays has launched a dedicated soft adventure brochure, heavily featuring California.

Public relations representative Cristina Cunchillos reported that media inquiries handled on behalf of CTTC during the period of July through December 2004 resulted in coverage worth more than \$165,000. MI assisted in the organization of two major TV filming visits to California in this period. Pilot Productions toured Southern California’s golf courses for the new “Adventure Golf” series to be broadcasted on the “Discovery TV Network” next year. Food specialist digital TV channel, “UKTVFood” filmed a brand new 15-part TV series following celebrity chef Reza around California. MI has also secured interest in California from a number of high-profile national UK newspapers who will be visiting the state in the first six months of 2005.

Advertising Return-on-Investment

California’s spring 2003 advertising campaign generated a strong return-on-investment (ROI). Research indicates that the campaign influenced¹ 4.9 million visitors, totaling \$1.99 billion in travel and tourism spending and \$80.1 million in tax revenues, for a \$483-to-\$1 ROI in spending and \$19.46-to-\$1 ROI in taxes. Actual incremental travel² generated 463,115 visitors, totaling \$216 million in travel spending and \$8.7 million in state tax revenues.³

¹ Influenced: Influenced travelers are those who recalled seeing at least one CTTC ad prior to travel to the state.

² Incremental travel: The number of additional trips and visitors attributable to the advertising campaign. (If they did not see the advertising, they would not have traveled). This is calculated by comparing the level of travel among the ad-aware to the level of travel among the non-aware and then counting only the difference.

³ Source: Strategic Marketing & Research, Inc.

NEW!

California Tourism Promotions

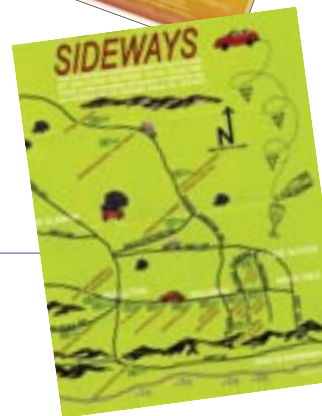
1

Sunkist Campaign: A partnership with Sunkist was initiated through a joint promotional effort in Canada. The campaign, which ran through March, featured point of sales displays in more than 2,500 grocery stores across the nation, a mini-site on Sunkist's Web site and promotional pieces in approximately 1.5 million bags of oranges to be given away. The CTTC coordinated two trip packages featured as part of the sweepstakes.



2

"Sideways" Film Promotions: The critically acclaimed film "Sideways," featuring a journey through the Santa Barbara region's wine area, has provided several exciting promotional opportunities for California. In the UK and Germany, various coverage for Santa Barbara and California has been coordinated by the CTTC abroad offices and features tour operator cooperative marketing, retail promotions, radio broadcasts and more.



3

Mexico Sales Mission, January 17-20: California was represented by 17 companies in the annual sales blitz to Mexico City and Guadalajara as part of the cooperative effort with Arizona and Las Vegas. Meetings with wholesale tour operators were conducted as well as travel agent educational seminars. A fashion show was sponsored by Shop America and the Shop contingencies of Arizona, Las Vegas and California for both the trade and the Rotary Club in Mexico City.

4

Mastercard Wine Country Promotion: Ongoing is the five European country promotion with Mastercard and American Airlines, featuring several of California's wine making regions. Nearly 20 trip giveaways throughout the state are being offered through 22 financial institutions in the five countries as well as a special packing program to the areas through two key tour operators.

5

Plus Many More Promotions: The CTTC and California Tourism delegates will join Governor Schwarzenegger on his upcoming trip to China. Details to follow.

California

L O D G I N G

OUTLOOK

By Senior Vice President Bruce Baltin,
Associate Andrea Foster and
Consultant Ryan Langer, PKF Consulting

'05

While the U.S. lodging industry has seen perilous times in its past, tourism within the U.S. appears to be making a solid comeback. Key indicators of this comeback stem from the positive trends and figures that point to a revival of an industry that was only recently trying to stay afloat.

This resurgence in the lodging industry can be characterized by a few important indicators that remain good markers of the lodging industry's health at any given time. For one, international travel is on the rise from previous years, and is expected to see significant growth in 2005 as major international banks expect increases in the Euro and as the purchasing power and

strengths of foreign countries continue to climb. The drive market is still holding strong, however the market is beginning to disperse to more typical patterns of transportation. Travel patterns indicate air travel reaching close to pre-2001 levels, and as a result, business travel has seen an increase in travelers growing on a proportional level to the increased flights. Even more, business travel can expect to continue aiding the national lodging industry as hotels continue to book more multiple-day meetings at their properties, creating an exponential increase in overall room night demand.

In terms of occupancy and rates, the national hotel market is anticipated to grow

Research

a respectable amount on both accounts. According to PKF Consulting, RevPAR (Revenue per Available Room) is expected to see a significant growth of approximately 7.5 percent over the 2005 year, tied into a GDP growth of 3.5 percent. The national hotel market is approaching stabilized occupancy rates in the majority of its markets, and does not have much more room to grow in this area. As a result, two-thirds of this RevPAR growth is expected to be attributable to average daily rate increases as hotels pursue higher rates with the remaining one-third attributed to occupancy increases.

Taking a glance at the state of California, the lodging industry is seeing increases in RevPAR in both the Southern California market and the San Francisco Metropolitan Area (MSA). The Northern California market is expected to maintain strong occupancy levels. The Bay Area is forecasted to see occupancy growth of 6 percent and an average daily rate growth of 3.5 percent in 2005. It should be noted that both markets are up from previous years and are expected to maintain positive growth. This compression in the Southern California market is mainly due to Southern California's diverse market portfolio that is capable of capturing a wide variety of demand during all months and seasons of the year. Southern California is located proximate to a number of major sub-markets that are approaching stabilized levels, and has less room to capitalize on higher occupancies than Northern California.

Southern California is in good position to see a prosperous 2005. Many of the Southern California markets are quickly

2005 Forecast Over 2004 Year End Estimates

	Annual Supply Percent Change	Occupied Rooms Percent Change	2005 Forecasted Average Occupancy	Average Daily Rate Percent Change
Northern California				
San Francisco MSA	(0.8)%	3.6%	73.3%	6.0%
Southern California				
Coachella Valley	8.8	6.3%	61.0%	0.5%
Los Angeles Co.	0.6	2.0%	75.3%	4.5%
Orange Co.	0.5	2.9%	71.7%	3.8%
San Diego Co.	1.7	3.0%	73.5%	2.4%
Ventura Co.	7.8	4.9%	68.1%	3.8%
Santa Barbara Co.	2.0	2.4%	70.8%	2.2%
Ontario	2.8	1.5%	76.0%	3.5%

approaching stabilized occupancy levels, and those that are not quite at that point are seeing a significant growth period and are expected to continue growing throughout 2005. Markets such as Los Angeles, San Diego and Ontario have historically performed well and are anticipated to continue to do so even as new supply is added. Los Angeles is expected to see a 4.5 percent growth in average daily rate and an overall occupancy of roughly 75 percent as the market reaches its capacity. Similarly, San Diego is expected to see a 2.4 percent growth in average daily rate with a slight increase in occupancy resulting in a RevPAR growth of 3.7 percent over 2004 performance. The Southern California market landscape as a destination in and of itself has changed. The Orange County and San Luis Obispo markets show marginal increases over previous years as both these regions continue to market themselves as independently popular destinations within Southern California. Orange County is expected to see significant growth in average

daily rate rising 3.8 percent over the 2004 yearend estimate. A RevPAR growth of 6.3 percent for the area is expected to follow in suit. Other markets such as Ventura County, Santa Barbara and the Coachella Valley all have significant growth potential and are expected to see some growth in the coming year as these markets attempt to push average daily rate over occupancy.

Overall, the lodging industry is forecasted to continue on its upward curve in 2005 on a national, state and regional Southern California level. As the travel industry perseveres past its tough times and as business travel steadily increases, the lodging industry should expect to be positively affected on all accounts. Growth potential in Southern California remains hopeful as demand generators remain plentiful and as sub-markets not yet fully saturated continue to add new hotel rooms within their regional boundaries. Even though the lodging industry was not too long ago in a state of peril, 2005 is expected to bring with it a healthy and prosperous new year.

TRAVEL
FORECAST

Spring 2005–Summer 2005



The travel industry continues to recover from the slump of 2002 and 2003 thanks to moderate but sustained GDP growth, expanded employment, low airfares and more international visitors. Domestic travel to and through California during the spring and summer seasons is forecast to increase 2.9 and 3.5 percent respectively.

	Spring ¹ 2005F	Spring 05F/04F % Chg.	Summer ¹ 2005F	Summer 05F/04F % Chg.
Total Domestic Travel to and through CA	76.3	2.9%	93.8	3.5%
Business	21.8	2.1%	19.5	2.4%
Leisure	54.5	3.2%	74.3	3.7%
Residents	64.8	3.1%	78.9	3.4%
Non-Residents	11.5	1.9%	15.0	3.7%
Length of Stay (days)	2.1	2.9%	2.2	1.4%
Average Expenditures ² (ppd)	\$94.2	3.3%	\$89.6	7.0%
Total Overnight Travel to and through CA	36.2	1.4%	42.5	1.9%
Business	9.5	0.1%	8.6	2.1%
Leisure	26.7	1.9%	33.9	1.8%
Residents	26.6	1.8%	30.3	2.4%
Non-Residents	9.6	0.5%	12.2	0.6%
Length of Stay (days)	3.65	4.8%	4.07	5.7%
Average Expenditures ² (ppd)	\$97.2	2.6%	\$88.7	6.9%

F = forecast

All volume figures are in millions of person-trips. Expenditures are per person per day (ppd).

¹ Spring = March, April, May; Summer = June, July, August.

² Excludes transportation expenditures.

This seasonal forecast from D.K. Shifflet & Associates Ltd. reflects their enhanced seasonal forecasting method. The method, which is based on the ARIMA (Box-Jenkins) forecasting method, utilizes seasonal data from the past four years to advance the forecasting period through the present season and well into the future.

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California Welcome Centers (CWCs)

	Jul. 04	Aug. 04	Sep. 04	Oct. 04	Nov. 04	Dec. 04	Full Year 2004	2004 YTD
	Number of Visitors						Total Visitors	% Chg. 03/04
CWC, Anderson	3,006	2,826	2,684	2,527	1,939	2,054	29,148	-7.8%
CWC, Arcata	2,204	2,088	1,669	1,298	583	550	14,303	-8.1%
CWC, Auburn	4,460	4,973	4,351	2,342	2,745	2,735	39,155	1.8%
CWC, Barstow	32,853	33,078	26,027	24,042	23,543	26,102	270,634	1.2%
CWC, Los Angeles	3,857	2,985	1,749	1,562	1,531	1,541	24,192	18.2%
CWC, Merced	4,428	3,776	4,540	4,163	4,311	4,288	45,275	-3.9%
CWC, Oceanside	12,381	11,578	7,739	7,758	5,917	6,540	106,606	34.4%
CWC, San Francisco	59,244	58,976	61,702	44,152	36,905	35,557	495,292	21.6%
CWC, Santa Ana	6,416	5,804	5,250	5,117	4,553	6,073	69,101	-3.1%
CWC, Santa Rosa ¹	5,538	5,879	4,423	4,550	2,918	2,329	44,228	91.6%
CWC, Yucca Valley	1,303	1,361	1,499	1,620	1,838	1,564	20,920	7.8%

¹ opened July 2003

Sources: California Welcome Centers in Anderson, Arcata, Auburn, Barstow, Los Angeles (Beverly Center), Merced, Oceanside, San Francisco (PIER 39), Santa Ana, Santa Rosa and Yucca Valley.

Lodging Report

Location	Jul. 04	Aug. 04	Sep. 04	Oct. 04	Nov. 04	Dec. 04	Full Year 2004	2004
% Average Occupancy Rates							% Avg.	% Chg. 03/04
United States	71.0	67.2	63.3	65.6	56.3	48.6	61.3	3.7
Pacific	76.3	75.6	68.1	67.9	59.9	54.4	66.0	4.4
California	74.9	74.4	67.4	69.0	61.1	55.5	66.5	4.4
California Central Coast	79.3	80.3	68.7	66.3	58.5	48.3	65.0	1.7
California North	74.7	75.1	69.1	66.3	55.2	49.7	61.7	1.0
California North Area	72.7	73.6	67.2	61.4	54.2	53.1	60.6	1.3
California North/Central	67.1	65.6	62.4	57.2	52.6	52.8	59.8	-0.7
California South/Central	67.0	65.5	64.3	65.3	58.6	52.1	62.5	2.6
Anaheim/Santa Ana	80.9	76.0	62.8	68.4	64.9	62.8	69.5	4.4
Bakersfield	61.2	58.9	61.3	65.8	59.0	56.3	61.6	2.8
Eureka/Crescent City	83.6	82.8	71.7	58.6	48.4	47.0	59.6	3.3
Fresno	72.0	69.8	64.8	64.6	59.2	49.3	63.6	1.4
Inyo/Kings/Tulare	68.8	70.0	69.1	65.7	56.9	49.9	62.3	4.7
Los Angeles/Long Beach	78.4	78.6	70.2	74.3	67.8	60.7	71.6	6.2
Oakland	62.3	64.4	64.2	64.1	57.8	51.2	58.3	7.2
Redding/Chico	74.8	77.8	66.5	62.5	58.3	56.3	62.8	0.8
Riverside/San Bernardino	63.3	61.9	63.8	67.8	65.9	60.2	65.6	3.0
Sacramento	72.7	72.7	65.6	61.4	53.5	53.3	62.7	2.3
San Diego	84.8	85.1	67.9	71.4	59.1	53.0	70.9	1.9
San Francisco/San Mateo	76.6	76.5	75.9	76.8	60.5	56.4	68.0	8.3
San Jose/Santa Cruz	65.1	65.1	61.1	61.7	55.5	45.5	58.2	7.8
Santa Rosa/Petaluma	71.1	71.0	71.0	68.0	54.7	44.3	59.1	3.3
Stockton/Modesto	68.0	66.4	66.0	65.5	59.4	55.1	63.4	-1.1
Vallejo/Fairfield/Napa	75.8	75.2	70.8	76.1	57.7	46.7	64.9	-2.0

Source: Smith Travel Research

www.VisitCaliforniaStore.com

Internet travelers can now purchase California-themed merchandise at CTTC's new

Web site store, www.VisitCaliforniaStore.com. Web surfers can also access the online store from the left-hand navigation on the homepage of www.visitcalifornia.com. In partnership with the California Welcome Centers (CWCs), the site sells the same California-related merchandise sold at individual centers including t-shirts, teddy bears, coffee mugs, canvas tote bags, keychains and baseball caps. Items are adorned with either the "California — Find Yourself Here" or state flag logo. If successful, the plan is to expand this pilot project to include additional California items. Products can be shipped anywhere in the world.

**COMING
SOON!**

Tourism Event Calendar

April 2005

28-May 2 CA Cup Invitational Golf Tournament No. California

May 2005

1-31 National Tourism Month
4-8 TIA's Discover America New York, NY
 International POW Wow
7-15 22nd Annual National Tourism Week Nationwide

June 2005

20-24 CTTC UK Travel Agent Educational Glasgow, Manchester,
 Sales Mission South London
20-25 TIA's See America Week UK London

CTTC Insights

State of California

Arnold Schwarzenegger, Governor

Sunne Wright McPeak, Secretary, California Business,
 Transportation and Housing Agency,
 Chair, CTTC

CTTC

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